



Canada-Newfoundland and Labrador Benefits

QUARTERLY REPORT
APRIL 1 – JUNE 30, 2008

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1.0 Introduction

The following represents Husky Energy's (Husky's) Canada-Newfoundland and Labrador Benefits Report for the quarter ending June 30, 2008, as required under the Conditions set out in Decision 2001.01 for the White Rose Development Project.

This report provides a summary of progress/activities related to Husky Energy's East Coast Operations and includes activities of its major sub-contractors as well.

2.0 Highlights for the Period

- Overall Canada / Newfoundland content for Husky's East Coast operations which includes the White Rose Project, North Amethyst Project, and Exploration was 47.2% NL and 18.7 % Other Canadian.
- A total of 9.36 million barrels of oil were produced during the period from April 1, 2008 to June 30, 2008 at an average production rate of 102,800 bbls/ day
- Total production from first oil up until June 30, 2008 is 95.1 million barrels
- Total employment for White Rose Operations was 1037 as of June 30, 2008.
- Husky donated \$750,000 towards the construction of Easter Seals House

3.0 Employment Summary

As of June 30, 2008, a total of 1037 people were employed on Husky's East Coast Operations. This includes people employed with Husky and its contractors. Of this total 937 or 90.3% were residents of Newfoundland and Labrador when hired, while another 68 or 6.5 % were residents of other regions of Canada at the time of hire. All of these positions were located in Newfoundland and Labrador as at June 30, 2008. There were 541 people working in the offshore.

Table 3.1 Employment Summary by Location, as of June 30, 2008

Location	Newfoundland & Labrador			Other Canadian			Non-Canadian			Total Employment
	Male	Female	Sub-Total	Male	Female	Sub-Total	Male	Female	Sub-Total	
TOTAL	769	165	934	69	1	71	32	0	32	1037

4.0 SeaRose Tieback Project

Engineering and procurement activities continued to progress on the SeaRose Tieback Project during the second quarter of 2008. A total of 321 people were employed on the project as of the end of June 2008. Person hours for the period totaled approximately 113,000 bringing the total to date to over 240,000. Over \$14 million was expended on the North Amethyst project for the period April 1 to June 30, 2008.

The Temporary Guide Bases (TGBs) for North Amethyst are near completion at Orphan Industries with installation planned for July 2008. The Permanent Guide Bases (PGBs) are also near completion at New Dock. Manufacturing has commenced at Cameron facilities in Celle, Germany, Leeds, England and Malaysia for subsea trees and control system components. Manufacturing has also commenced at Technip facilities in LaTrait, France for flowlines and NewCastle, England for the umbilical.


A contract for North Amethyst subsea structures was awarded to North Eastern Constructors Ltd (NECL) and fabrication has commenced at Metal World, a sub-contractor to NECL.

Table 4.1 SeaRose Tieback Project Employment Summary as of June 30, 2008

Location	Newfoundland & Labrador			Other Canadian			Foreign			Total		
	Male	Female	Sub-Total	Male	Female	Sub-Total	Male	Female	Sub-Total	Male	Female	Sub-Total
TOTAL HEADCOUNT	237	50	287	9	0	9	25	0	25	271	50	321

5.0 Procurement Summary (Contracts > \$250,000)

There were 6 contracts greater than \$250,000 awarded during the second quarter of 2008.

Husky East Coast Operations Procurement Summary		2008 - Q2					
Description	Vendor Name	Vendor Location	Range	NF	CDN	FOR	Total
Charter of Vessel Atlantic Kingfisher	Atlantic Towing Limited	Halifax, NS					0%
	Total Value of Charter	43,000,000	L				0%
	Husky Cost	20,715,144	K				0%
							0%
Charter of Vessel Maersk Gabarus	Maersk Supply Services Canada Ltd.	St. John's, NL					0%
	Total Value of Charter	27,000,000	K				0%
	Husky Cost	13,094,712	I				0%
							0%
Charter of Vessel Maersk Detector	Maersk Supply Services Canada Ltd.	St. John's, NL					0%
	Total Value of Charter	19,000,000	J				0%
	Husky Cost	8,712,400	H				0%
							0%
Lower String Completions	Schlumberger (24%) Haliburton (76%)	St. John's	K	23%	18%	59%	100%
							0%
Cementing Unit & Equip Services	Schlumberger Canada Ltd	St. John's	H	16%	49%	35%	100%
							0%
							0%
Fabrication of Subsea Equipment	North Eastern Contractors Limited	St. John's/ Bull Arm	K	80%	13%	7%	100%
							0%
							0%
Cost Range Code Legend							
A = 250,001 - 500,000 \$	E = 2,000,001 - 3,000,000 \$	I = 10,000,001 - 15,000,000 \$	M = 50,000,001 - 75,000,000 \$				
B = 500,001 - 1,000,000 \$	F = 3,000,001 - 5,000,000 \$	J = 15,000,001 - 20,000,000 \$	N = 75,000,001 - 100,000,000 \$				
C = 1,000,001 - 1,500,000 \$	G = 5,000,001 - 7,500,000 \$	K = 20,000,001 - 30,000,000 \$	O = Over 100,000,001 \$				
D = 1,500,001 - 2,000,000 \$	H = 7,500,001 - 10,000,000 \$	L = 30,000,001 - 50,000,000 \$					

6.0 Exploration

Husky is participating with StatoilHydro in a joint seismic program scheduled for the summer of 2008. CGG Veritas has been contracted to carry out a major survey of lands held by StatoilHydro, the Terra Nova Field and White Rose. Husky expects to take possession of the Veritas Vantage in early July, 2008.

7.0 Photographs



Testing a Temporary Guide Base (TGB) for North Amethyst at Orphan Industries



Temporary Guide Base (TGB) in Cameron Test Facility in Donavans



Machining of one of the Permanent Guide Bases for North Amethyst at NewDock



New Pipe Cutting Equipment at CPSI / NECL



Wet Test of a TGB



TGB with PGB and Subsea Tree at Cameron – St. John's



CGG Veritas Seismic Source Vessel Kondor in Port at St. John's, June 4, 2008



CGG Veritas Seismic Vessel Vantage in St. John's, May, 2008



Husky Donates 750,000 towards the construction of Easter Seals House



Husky Employees Participate in Energy in Action Day



Husky employees participate in Techsploration Presentations at CONA



Glomar Grand Banks in Marystown – April 2008



Iceberg under tow at White Rose Field – April 2008